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FEB 17 1954

## CENTRAL INTELLIGENCE AGENCY

17 February 1954

MEMORANDUM FOR: Mr. Allan Evans (OIR)  
Colonel W. H. Hennig, USA (G-2)  
Captain Allan L. Read, USN (ONI)  
Colonel Charles F. Gillis, USAF (AFORN-2B2)  
Captain Ray Malpass, USN (JIG)

SUBJECT : NIE 11-4-54: Soviet Capabilities and Probable  
Soviet Courses of Action through Mid-1956

1. The attached draft terms of reference are circulated for review.

2. They are designed to initiate one estimate to cover both the estimate on Soviet Bloc Capabilities through Mid-1956 and the estimate on Soviet Bloc Courses of Action through Mid-1956. (See items 16 and 17, IAC-D-1/6.)

3. In proposing that the new estimate in effect blend into a current paper the two estimates (NIE-90 and NIE-95) produced last year, the Board believes that a better estimate will result and that time will be saved.

4. The one-paper approach makes it less important to define and to apply rigorously a definition of "capabilities". It also has the advantage of bringing together in one package the rather abstract discussion of probable Soviet courses of action with the concrete evidence on outstanding strengths and weaknesses which the Kremlin would have to review before making its policy decisions.

5. We have proposed that this be essentially a Soviet paper rather than a Bloc paper. Aside from listing Chinese and Satellite military strength and briefly discussing Sino-Soviet relations, both NIE-90 and NIE-95 were written almost exclusively from the viewpoint of the USSR. Restricting the scope not only makes the production job easier, it leaves to other papers the more adequate treatment of questions on Communist China and the Satellites.

DOCUMENT NO. \_\_\_\_\_  
NO CHANGE IN CLASS. ☐   
☐ DECLASSIFIED  
CLASS. CHANGED TO: TS S (C)  
NEXT REVIEW DATE: 1991  
AUTH: HR 70-2  
DATE: 4 MAY 81 REVIEWER: 018557

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6. Action:

It is requested that your representative meet with us to discuss these terms of reference at 2:00 Wednesday, 24 February, in Room 146, South Building.

*Paul A. Borel*  
PAUL A. BOREL  
Deputy Assistant Director  
National Estimates

Distribution "B"

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17 February 1954

**SUBJECT: TERMS OF REFERENCE: NIE 11-4-54: SOVIET CAPABILITIES  
AND PROBABLE SOVIET COURSES OF ACTION THROUGH MID-1956**

**THE PROBLEM**

To examine the political, economic, and military strengths and weaknesses of the USSR and to estimate probable Soviet courses of action through mid-1956.

**INTRODUCTORY NOTE**

Since there is a substantial amount of general background information on the Bloc already available in the contributions to previous Bloc National Estimates, the present terms of reference are designed to bring out significant changes and elicit additional information on aspects of the problem which have become apparent since the publication of NIE-90 and NIE-95. In addition, significant changes in the conclusions of NIE-90 and NIE-95, not reflected in the responses to the questions below, should be pointed out in the contributions.

**I. MAIN FACTORS AFFECTING SOVIET COURSES OF ACTION****A. Political Factors****1. Internal Political**

- a. The Ruling Group. What are the relative power positions of and the relationships between the

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members of the Soviet ruling group? Are changes likely to occur within this group during the period of this estimate which would affect the authority of the regime and its freedom of action in domestic and foreign policy?

- b. Bases of Authority. What changes have occurred in the institutional bases of Soviet authority (party, police, military)? Are changes likely to occur in the power relationships between these groups which would affect the authority of the regime and its freedom of action in domestic and foreign policy?
- c. Domestic Policies and Social Tensions. What changes have occurred or are likely to occur in the policies adopted by the regime toward the administrative bureaucracies, the intelligentsia, the workers, and the peasants? To what extent have the domestic policies adopted by the new Soviet regime reflected its estimate of the reliability of particular social groups and its concern for popular morale? Are any domestic policies or political or social issues within the USSR likely to develop in such a way as either to weaken or strengthen the authority of the regime and its freedom of action in domestic and foreign policy?

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**CONFIDENTIAL****2. Soviet - Satellite Relations**

**(NOTE: These questions are intended to elicit contributions on this subject which the agencies feel they can now make but which were not included in the contributions to NIE-108.)**

- a. Soviet Authority. How have developments within the Satellites or within the USSR since Stalin's death affected the authority of Moscow over the Satellites? Are any developments likely to occur within the Satellites which would affect Moscow's authority?**
- b. Satellites. To what extent have Moscow's courses of action been affected by developments within the Satellites? Are changes likely to occur within the Satellites which would affect Moscow's freedom of action within the Satellites and Moscow's policies toward the free world?**

**3. Sino-Soviet Relations**

**(NOTE: These questions are intended to elicit contributions on this subject which the agencies feel they can now make but which were not included in the contributions to NIE 10-2-54.)**

- a. Locus of Authority. Have there been any significant changes which have occurred in Sino-Soviet relations since Stalin's death? If so, what? Is it likely that**

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the political, economic, and military issues involved in Sino-Soviet relations will develop in such a way as to affect the relationship between Moscow and Peiping or the freedom of action exercised by each in its respective foreign and domestic policies?

- b. North Korea and the Viet Minh. What changes have occurred and are likely to occur in the respective roles of Moscow and Peiping in the Viet Minh and North Korean regimes? Are changes likely to occur within North Korea or Viet Minh which would affect Moscow's or Peiping's freedom of action with respect to these regimes and Bloc policies toward the non-Communist world?

4. Foreign Communist Parties

What is the numerical strength of the Communist parties throughout the world? Are any of these Communist parties likely to be able to seize power or to increase their influence during the period of this estimate?

B. Economic Factors

(NOTE: We would like graphic presentations devised to convey the statistical substance of the Bloc economic activity covered in this estimate. Some examples are given below.)

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1. Quantitative Trends. What were the main trends in the Soviet economy in 1953? In the growth of Soviet GNP, in the allocation of GNP to investment, defense, and consumption, and in the growth of the various sectors of the economy? How do these trends compare with those of previous years and what is their significance in terms of the continued growth of the economy.

(Graphics: Comparison of size, composition, and growth of Soviet and US GNP in 1953. A table like that on page 6 of Appendices NIE-90, updating the figures. Historical trend in size, composition, growth of GNP since 1945 for USSR-US; Bloc-NATO.)

2. Production Statistics. What was total Soviet output in 1953 of key industrial materials, agricultural products, and weapons (e.g., steel, coal, oil, grain, tanks, aircraft, etc.)? How did 1953 output compare with past trends?

(Graphics: Comparison of USSR output with US in 1953; Bloc-NATO; also graphics on pre and post-Korea Soviet budgets.)

3. Human and Material Resources. What are the main trends in the growth of the Soviet population and in the size and composition of the labor force? Do human or natural resources in any way limit the development of Soviet industry and agriculture?

(Graphics: On significant population trends.)

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4. Institutional Developments. What were the main institutional developments affecting the Soviet economy in 1953, and what are the probable reasons for their adoption? (e.g., reorganization of ministries, abolition of Gosstat, reduction of MVD economic function, etc.) What is their significance in terms of the continued growth of the economy?
5. New Economic Policy. What is the character and the magnitude of the new economic policy? How much a revision of five-year-plan goals is involved in the new economic policy? How will its implementation affect the growth of Soviet GNP through mid-1956, the allocation of GNP to investment, defense, and consumption, and the growth of the various sectors of the economy? How much of a shift is involved in the volume and pattern of investment under the new economic policy? What effect will the new policy have on urban and rural living standards in mid-1956? On per capita availabilities of foodstuffs?
6. What are the principal motivating factors behind the new economic policy?

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- a. Does available evidence indicate that stockpiles of military end-items were large enough to permit a lower level of military production in the future?
  - b. What were the trends in industrial production, in the growth of the industrial labor force, and in industrial labor productivity? What is their significance?  
(Graphics: Trend in labor productivity, and growth of industrial labor force.)
  - c. What were the relative trends in the postwar period in urban and rural living standards? How do these standards compare with those of the prewar period, in terms of over-all per capita food consumption, urban food consumption, the level of housing, the purchasing power of wages, and food prices?
  - d. To what extent would the continuation of low agricultural productivity limit the future growth of Soviet industry?
7. What are the critical economic factors affecting the implementation of the new economic policy? What effect have past policies had on agricultural output? To what extent and in what areas has the new policy already been implemented? What are the main obstacles to implementation?

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To what extent is it likely to be implemented? Through mid-1956? What economic effects would result from either a significant underfulfillment of the new economic goals or a reversal of economic policy?

8. **Trade.** What were the principal developments in the volume, composition, and direction of Soviet trade in 1953 with the Satellites, Communist China, and the West? How do trends in 1953 compare with past trends? How has Soviet trade within the Bloc affected Soviet capabilities to expand trade outside the Bloc? To what extent do the economic commitments involved in the new economic policy affect the ability of the Soviet Union to expand trade with the West? To what extent does the fulfillment of the consumer goals under the new economic policy depend upon an increase in Soviet and Soviet Bloc trade outside the Bloc? What are the probable trends in Soviet trade through mid-1956?

(Graphics: Comparison of prewar volume, composition, and direction of Soviet and Soviet Bloc trade with that of 1953.)

9. What other important developments in the Soviet economy occurred in 1953? What were the main developments in stockpiling policy, in the dispersal of industry, in the expansion of the transportation network, etc.? What is their significance?

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**CONFIDENTIAL****C. Scientific and Technical Factors Affecting Bloc Capabilities**

(NOTE: These questions are cast as if this section would include capabilities of Communist China and Satellites, as in the past.)

1. **Quantitative.** (Use charts and graphs wherever possible. Include figures for mid-1954 and mid-1956.) What are total scientific assets of the USSR, i.e., manpower, facilities, financial support, etc.? How do USSR figures compare with the US? What contributions to Soviet scientific capabilities are made by the Satellites? What proportions of these totals are engaged in activities directly affecting military capabilities, specifically in the physical sciences, and in industrial and agricultural research and technology?
2. **Qualitative.** What is the quality of Soviet scientific training and research in major scientific fields? How do these compare with the West? How does ideology affect quality and independence of research?
3. **Probable Major Developments During the Period of this Estimate.** What are the major strengths and weaknesses of Bloc sciences? What are Bloc capabilities in the most important scientific and technological fields, the probable developments in each field, and the weapons and weapons systems (including nuclear) which will probably be developed and produced?

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**CONFIDENTIAL****D. Bloc Military Forces (by National units)**

- map*
1. Quantitative. (Use charts wherever possible and include figures essential for updating Tables 1-8, Appendices to NIE-64 (I). Include figures for mid-1954 and mid-1956.) What is Bloc armed strength: TO & E, and, where possible, actual? What is the composition of Bloc armed forces, including security forces? What is the disposition of Bloc armed forces? What is the size of the military manpower pool? Of trained reserves? What is the size of the inventories and reserve stocks of major military weapons, including mass destruction weapons? What is the mobilization capacity of the Bloc for M  $\frac{1}{3}$  30, M  $\frac{1}{3}$  180, in terms of manpower, military organizations, and units?
  2. Qualitative. What is the quality of the Bloc armed forces from the point of view of effectiveness, political reliability, and morale? What is the general quality of major items of Soviet equipment? What is the degree of coordination between the major military services and between the national units of the Bloc? To what extent would logistic weaknesses limit the effectiveness of Soviet or Bloc forces in specific areas?

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3. Over-all Capabilities. In general terms, how do the major Soviet Bloc military strengths and weaknesses affect Soviet military capabilities? To what extent will Soviet military developments during this period modify present capabilities to pursue both offensive and defensive action for localized or general war?

## II. SOVIET ESTIMATE OF THE WORLD SITUATION

### A. Soviet Estimate of Western Capabilities

1. What is the Soviet estimate of current US and Western capabilities for war, and how will the Soviet leadership estimate the effect of probable political, economic, military, and scientific developments upon the ability of Western nations to maintain or increase their present capabilities?
2. How will the Soviet leadership estimate the character, consequences, and outcome of a general war begun during the period of this estimate?
3. Does the Soviet leadership estimate that the Bloc can eventually develop its power to the point that victory in some future war would be virtually assured?

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**B. Soviet Estimate of Western Intentions**

1. What is the Soviet estimate of US intentions during this period with respect to:
  - a. The deliberate initiation of general war?
  - b. The willingness to take risks of general war?
  - c. The willingness to negotiate outstanding issues?
2. What is the Soviet estimate of US intentions with respect to German rearmament? With respect to the unification of Germany and the revision of the Oder-Neisse boundary?
3. What is the Soviet estimate of the resolution of the Western Powers in maintaining their position in Berlin?
4. What is the Soviet estimate of US intentions with respect to the further development of its military base policy? Does the Soviet leadership really attribute aggressive intentions to this policy, and if so, does it believe the threat an imminent one?
5. What is the Soviet estimate of US intentions with respect to Near Eastern and Asian defense arrangements?
6. What is the Soviet estimate of US and/or Western policies in Indochina and Korea?

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7. What is the Soviet estimate of the determination and ability of the US to use "massive retaliatory power" against further Bloc aggression?
8. What is the Soviet estimate of the firmness of the Western Alliance?
9. Are there major differences between Soviet and Chinese Communist estimates with respect to any of the above questions?

C. Soviet Estimate of Vulnerabilities in the Non-Communist World

1. What is the Soviet estimate of probable political and economic developments in the West and the effects of those developments upon the cohesiveness of the Western Alliance? What is the Soviet estimate of the likelihood that increasing preoccupation with internal problems will reduce the vigilance of Western nations and produce neutralist and isolationist tendencies? What is the Soviet estimate of the likelihood of the implementation of EDC? Of probable US reaction in the event of the failure of the EDC policy?
2. What is the Soviet estimate of the principal vulnerabilities in the non-Communist world during the period of this estimate? For example, what is the Soviet estimate of:

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- a. The extent to which differences of national interest threaten the Western Alliance;
- b. The extent to which nationalism and anti-colonialism threaten Western interests in Asia, Africa, and the Middle East;
- c. The extent to which political and class division within principal countries threaten stability of national policies;
- d. The success of Communist unity of action programs in principal countries of the world;
- e. The susceptibility of non-Communist peoples generally to Soviet propaganda?

### **III. PROBABLE SOVIET OBJECTIVES AND COURSES OF ACTION DURING THIS PERIOD**

#### **A. Probable Soviet Objectives**

1. What are the probable Soviet objectives during the period of this estimate in order of priority? To what extent will the objectives of the Satellite leaders or of the Chinese Communist leaders differ from those of the Kremlin?

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2. To what extent would Soviet aims be modified or extended in the event of a major change in the world situation, such as, an economic recession in the US, a notable increment of Communist strength in Italy, or the development of substantial military power in EDC or Germany?

**B. Probable Soviet Courses of Action**

1. What is the likelihood that the Soviet leadership will deliberately precipitate general war or adopt courses of action with the intent to precipitate general war?
2. What aggressive action might the Kremlin take in the believe that it could take it without running grave risk of precipitating general war?
3. What Western courses of action might be interpreted by the Kremlin as constituting such a risk to its security that it would feel impelled to take counteraction even at the risk of precipitating general war?
4. In what ways might the Chinese Communists try to modify Soviet decisions and courses of action as set forth in the answers to each of the questions 1, 2, and 3 above?
5. Is there any likelihood that the Kremlin will seek, or be obliged to accept, a detente with the West during the

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period of this estimate? If so, what would be the probable nature and scope of the concessions which they would demand of the West and which they themselves would be willing to make? What would be the Chinese Communist attitude toward a detente and the concessions it might involve?

6. In pursuit of its aims during this period, what actions short of war, e.g., diplomatic maneuvers, propaganda stratagems, Communist party activities, is the Kremlin likely to pursue in the critical areas of the world? Is the Chinese Communist attitude an important factor in Soviet policy for any of these areas? If so, in what way?

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